

DDI 0091-82

## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

7 January 1982

## NCS REVIEW COMPLETED

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH : Chairman, National Intelligence Council

FROM :   
National Intelligence Officer for East Asia

SUBJECT : Today's National Security Planning Group Meeting

1. The attached memorandum from the NSC is an excellent summary of the background and options concerning the FX aircraft issue. I recommend you support the last option listed; namely, continued coproduction of the F5E accompanied by resale of second hand F104G's from the West German or other inventory.

2. The memorandum was actually written at State last night. Judge Clark, according to his staff, is expected to support the last option.

3. Also last night, the NSC Staff prepared a memorandum for the President recommending the last option. The memorandum apparently described the probable positions of the main actors. Most were said to lean towards the last option. The President's views remain unknown. The memorandum recommended that if a decision against an FX sale is made, notification at a high level should be made to the Congress, Dr. Ts'ai of Taiwan's office in Washington, and the PRC government in Beijing in that order.

4. Secretaries Haig and Weinberger have agreed that the tripartite memorandum from the three of you is no longer needed.

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THE WHITE HOUSE

WASHINGTON

January 7, 1982

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NCS REVIEW COMPLETED

**MEMORANDUM FOR THE VICE PRESIDENT**

THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE COUNSELLOR TO THE PRESIDENT  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE CHIEF OF STAFF TO THE PRESIDENT  
THE DEPUTY CHIEF OF STAFF TO THE PRESIDENT  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

**SUBJECT: National Security Planning Group Meeting**

The President will chair a meeting of the NSPG on Thursday, January 7, 1982, from 3:30 to 4:30 p.m. in the Situation Room of the White House. There will be one agenda item: Fighter Aircraft Sales to Taiwan. Discussion papers for this topic are attached.

**FOR THE PRESIDENT:**

William P. Clark

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Review on January 7, 1988

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**NSPG OPTIONS PAPER****ISSUE FOR DECISION:** What Type of Replacement Aircraft to Provide to Taiwan.**DISCUSSION**

**Background:** For the past ten months, State, Defense, the JCS and the Intelligence Community have studied carefully the question of what type of aircraft should be provided to Taiwan in order to replace the approximately 140 older aircraft now in the Taiwan inventory which will need to be retired from service in the next few years.

During this period, there has been intense interest in the "F-X" issue, in the Congress, in political circles, among the American public, and among other nations, both those directly concerned and those, such as U.S. allies, who have followed ramifications of this issue closely and who are waiting to see what the final U.S. decision will be.

From the outset of our consideration of this issue, and even before, during the previous Administration, the People's Republic of China has voiced its strong opposition to the provision of an advanced aircraft to Taiwan by the U.S. China's longstanding position is that all U.S. military sales to Taiwan infringe PRC sovereignty and it therefore opposes all such sales. In practice, however, it has tolerated them.

The question of an advanced, F-X aircraft, however, has assumed a high degree of symbolism for Beijing, and it has issued clear and direct warnings, throughout the past ten months, that it will downgrade relations with the U.S. if the U.S. proceeds with the sale. During the period in which this issue has gone unresolved, the Chinese have demanded with increasing specificity and stridency that the U.S. cease all arms sales to Taiwan. The issue now threatens to cause a rupture in US-China relations at a time of major US-Soviet confrontation elsewhere.

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Conversely, on Taiwan, the issue of whether the U.S. provides Taiwan with an advanced aircraft has also become a matter of considerable symbolism, though Taipei has been less vocal in pressing its case. In this country, advocates of close US-PRC relations have tended to oppose the F-X, while those who favor close relations with Taiwan have demanded that we sell Taiwan an F-X even at the cost of a "retrogression" with the PRC. On the other hand, there is across-the-spectrum support for continuation of American arms sales to Taiwan, as a general principle.

The Taiwan Relations Act (TRA): Relevant portions of the TRA stipulate that: "The United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability....The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan..... Such determination of Taiwan's defense needs shall include review by United States military authorities..."

In practice these provisions have meant that the executive would engage in normal consultations with the Congress on arms sales to Taiwan. However, the Congress has construed them to give it an especially important role in major Taiwan arms sales decisions. With Congress now out of session, this means that before any F-X decision is announced key Congressional leaders will need to be informed.

Intelligence Community: The Intelligence Community has studied both the political and military aspects of this issue. Its judgments may be summarized as follows:

Military: There is no military need for an advanced fighter aircraft in Taiwan's inventory now. Additionally, it is expected that Taiwan could maintain a strong deterrent throughout the 1980's by acquiring more F-5E and F-104G aircraft which are now in its inventory. If improvements take place in the PRC inventory, it would be possible in the latter years of the decade, to provide improvements to Taiwan's existing F-5Es, which would match any improvement in capabilities on the mainland.

Political. Beijing would be certain to downgrade relations with the United States, across-the-board, if the U.S. were to sell either of the two aircraft types known as the F-X, i.e. the F-16/79 or the F-5G. Beijing would also precipitate some form of similar action if the U.S. were to decide upon an upgraded version of the F-5E.

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Taipei would be disappointed in a decision by the US not to sell Taiwan an F-X, but would accept the decision so long as additional F-5E's and F-104Gs were provided, accompanied by reasonable assurances that the U.S. remains committed to continuing the supply of necessary defensive military equipment.

Third Country Interests: Our allies have been loathe to impose upon the U.S. their views, a number, including Japan, the FRG, the UK, France, and Australia have expressed hope that the U.S. will manage this decision in a way which does not damage relations with the PRC.

Options: A brief summary of the options available to meet Taiwan's requirements is provided below:

<u>Option</u>	<u>Military Effect</u> (Taiwan)	<u>Political Effect</u> (Taiwan)	<u>Political Effect</u> (PRC)
F-16/79	Needs fully met	Highly pleased	Downgrades relations
F-5G	Needs fully met	Highly pleased	Downgrades relations
F-5E Upgrade	Needs fully met	Pleased	Downgrades relations
F-5E*	Needs fully met	Disappointed	Will continue to oppose but, if carefully managed by US, likely to acquiesce

\*Any package for the provision of F-5E aircraft would likely be accompanied by provision of additional, all-weather, F-104Gs which Taiwan has been trying to obtain for several years, to replace aging F-104Gs now in its inventory. Given the choice of aircraft replacements of less than "F-X" capability, it is likely that Taiwan would opt for a mix of F-5E and used F-104G aircraft.

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